

(1) BEFORE A SAVINGS BANK ESTABLISHES A BRANCH, THE SAVINGS BANK SHALL HAVE A GUARANTY FUND AS PROVIDED IN THIS SUBSECTION.

(2) FOR A BRANCH THAT IS TO BE LOCATED INSIDE THE MUNICIPAL AREA OF THE PRINCIPAL BANKING OFFICE OF THE SAVINGS BANK, THE SAVINGS BANK SHALL HAVE A GUARANTY FUND OF NOT LESS THAN 5 PERCENT OF ITS TOTAL DEPOSITS.

(3) FOR A BRANCH THAT IS TO BE LOCATED OUTSIDE THE MUNICIPAL AREA OF THE PRINCIPAL BANKING OFFICE OF THE SAVINGS BANK, THE SAVINGS BANK SHALL HAVE A GUARANTY FUND OF NOT LESS THAN THE SUM OF:

(I) 5 PERCENT OF ITS TOTAL DEPOSITS; AND

(II) THE MINIMUM CAPITAL AND SURPLUS THAT IS REQUIRED FOR FORMATION OF A STATE BANK IN THE SAME MUNICIPAL AREA OF THE PROPOSED BRANCH.

REVISOR'S NOTE: This section is new language derived without substantive change from CA § 6-107 (a) and (d) and the second sentence of CA § 6-108.

In subsection (b) (2) of this section, the present provision for deducting from the amount of capital and surplus "any amount by which the guaranty fund of the savings institution exceeds this required minimum" is deleted. The Commission to Revise the Annotated Code believes this unnecessary provision was carried over to the savings banks inadvertently in tracking parallel provisions for branches of State banks. As to the minimum capital requirement for State banks, see § 3-209 of this article.

As to the present requirement that payments to the fund be in cash and as to the transferable deferred payment certificates, which evidence payment, see § 4-209 of this subtitle.

As to the prohibition against doing business without a certificate, see § 4-207 of this subtitle.

As to additions to the guaranty fund and limitations on its reduction, see Subtitle 3 of this title and the General Revisor's Note to that subtitle.

The term "municipal area" is defined in § 1-101 of this article.

4-209. FUND PAYMENTS BEFORE BEGINNING BUSINESS.

(A) FORM AND EVIDENCE OF PAYMENT.
